

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: West Virginia

Supplemental 3 to Attachments 4.19-B

Page 15

PERSONAL CARE

4.19 Payments for Medical and Remedial Care and Services

Methods and Standards for Establishing Payment Rates

(iv) Meal - \$3.00 per meal during travel time.

Lodging - the most economical resources available recommended by the medical facility at destination.

26.

Personal Care Services

Personal Care services will be reimbursed using a statewide fee-for-service rate schedule based on units of services authorized in the approved plan of care. Payment for Personal Care services under the State Plan will not duplicate payments made to public agencies or private entities under other program authorities for the same purpose. Medicaid will be the payer of last resort. Unless specifically noted otherwise in the plan, the state-developed fee schedule rate is the same for both governmental and private providers. Providers will be reimbursed at the lesser of the provider's usual and customary billed charge or the Bureau for Medical Services (Bureau) fee schedule.

Rate Methodology:

Rates for Personal Care services are developed using a market-factor rate-setting model. The model reflects individual service definition, operational service delivery, administrative, capital and technology considerations. The following factors are used in determining the rates:

- Wage - Wage data is obtained from the Bureau for Labor Statistics (BLS). The wage is based on two elements consisting of occupation/wage categories reported by BLS and identified by Medicaid staff as comparable to services delivered under the personal care program as well as results of a formal provider survey
- Inflation – The base wage is adjusted by an inflationary factor determined by the percent change in Consumer Price Index (CPI-U, U.S. City: All Items 1982-84 = 100) from base period 2009 to current rate period.
- Payroll Taxes – The payroll taxes factor represents the percentage of the employer's contribution to Medicare, Social Security, workers' compensation and unemployment insurance.
- Employee Benefits – The employee benefits factor represents the percentage of employer's contribution to employee health insurance and retirement benefits. The employee benefit factor varies by employee type. This factor is discounted to reflect the Medicaid agency's share of cost based on the Medicaid payer mix.
- Allowance for Administrative Costs – The allowance for administrative costs factor represents the percentage of service costs that results from non-billable administrative activities performed by direct care staff and services provided by employer administrative support and executive staff. This factor is discounted to the Medicaid payer mix as determined by provider survey conducted in 2010 and 2011.
- Allowance for Transportation Costs – The allowance for transportation costs factor represents an allowance for average travel time by the provider as indicated by the provider survey.
- Allowance for Capital and Technology – The allowance for capital and technology factor represents weighting of various income and balance sheet account information and provider survey data to calculate a capital and technology cost per dollar of employee wages. This factor is discounted to reflect the Medicaid agency's share of cost based on the Medicaid payer mix.

TN No: 09-08 Approval Date: _____ Effective Date: _____
Supersedes: 01-17

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: West Virginia

Supplemental 3 to Attachments 4.19-B

Page 16

PERSONAL CARE

The following steps are used to determine the rates:

1. The State will use West Virginia specific hourly wages from BLS that are adjusted to provider participation mix rates and average wage level percentiles as indicated by the provider survey.
2. The base hourly wage rate will be adjusted for annual inflation by calculating the percent change in CPI between the base year (2009) and that of the current rate review period.
3. All rate factors, excluding mileage, will use the inflation adjusted base wage rate as determined in Step 2 above in calculating the additional rate components.
4. The percentage of payroll, applicable employee benefits, administrative allowances, capital and technology factors are each multiplied by the inflation adjusted wage rate to determine the rate components.
5. The mileage rate component is determined by multiplying the State employee mileage rate by the average miles traveled as indicated by the provider survey.
6. The sum of all rate components described in Steps 2 -5 will equal the allowable service rate.

The Bureau's rates were set as of October 1, 2011 and are effective for services on or after. Rates will be published on the Bureau's website at: www.dhhr.wv.gov/bms.

TN No: 09-08 Approval Date: _____ Effective Date: _____
Supersedes: 01-17

...